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COMMONWEALTH OF VIRGINIA

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 9, 1999

NOTIFICATION OF

STONE MOUNTAIN ENERGY, L.C.

CASE NO. PUE990715

To make an exempt sale of gas and to provide transmission and delivery service in Lee County pursuant to § 56-265.4:5 of the Code of Virginia

ORDER DOCKETING PROCEEDING AND PROVIDING FOR NOTICE

On October 18, 1999, Stone Mountain Energy, L.C. ("Stone Mountain" or "the Company"), notified the State Corporation Commission, pursuant to § 56-265.4:5 of the Code of Virginia, of its plan to make an exempt sale of natural gas and to provide transmission facilities and delivery service ancillary to the sale to DeRoyal Industries, Inc., Rose Hill, Lee County. To provide this service, Stone Mountain proposes to install a sales meter and to construct approximately 3,000 feet of two-inch diameter pipeline. As shown on a map and route description attached to its notification, the line would run from the sales meter on Stone Mountain's existing pipeline on Poor Valley Branch of Martin Creek to a delivery point at DeRoyal Industries, Inc. surgical supply manufacturing facility. All proposed construction would be in Lee County.

Stone Mountain stated in its application that it will sell gas for use at the surgical supply manufacturing facility.

Based upon its information, the Company stated that the DeRoyal Industries, Inc. facility is not within a territory for which a certificate to provide gas service has been issued by the Commission under the Utility Facilities Act and, as of the date of the filing of its notification to the Commission, the facility is not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

On October 25, 1999, the Commission's Division of Energy Regulation filed with the Commission's Document Control Center a memorandum concerning Stone Mountain's notification. The Division of Energy Regulation had investigated the location of the DeRoyal Industries, Inc. facility and had determined that it was not located within a territory for which a certificate of public convenience and necessity had been granted. Likewise, the facility was not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

The Commission finds that this matter should be docketed.

Upon consideration of the notification and the Division of

Energy Regulation investigation, the Commission determines that
the DeRoyal Industries, Inc. facility is not located within a

territory for which a certificate has been granted. Further, as of the time the Commission received the notification provided for by § 56-265.4:5 of the Code of Virginia, the facility is not located within any area, territory, or jurisdiction served by a municipal corporation that provided gas distribution service as of January 1, 1992.

The Commission further finds that this Order Docketing Proceeding and Providing for Notice shall serve as notice of Stone Mountain's plan to make an exempt sale and furnish transmission and delivery service, and that a copy shall be mailed to all public utilities providing gas service in the Commonwealth.

Accordingly, IT IS ORDERED THAT:

- (1) This matter shall be docketed and assigned Case No. PUE990715; that all associated papers be filed therein; and that a copy of the notification and associated papers be available for public inspection in the Commission's Document Control Center, located on the First Floor of the Tyler Building, 1300 East Main Street, Richmond, Virginia, between 8:15 a.m. and 5:00 p.m. on all regular Commission business days.
- (2) Forthwith upon receipt, the Clerk of the Commission,

 Document Control Center shall serve by United States mail a copy

 of this Order upon the public utilities providing natural gas

 service in the Commonwealth listed in Appendix A.

- (3) Within sixty (60) days of the date of this Order, any public utility providing gas service in the Commonwealth may apply to the Commission to provide the service proposed in this notification.
 - (4) This matter shall be continued.